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(R-2004-213 REV.)

RESOLUTION NUMBER 298359

ADOPTED ON SEP 09 2003

WHEREAS, during the past several months concern has been expressed about the current unfunded liability of the San Diego City Employees Retirement System [CERS]; and

WHEREAS, the San Diego Taxpayers Association and several City Councilmembers have called for an independent audit of CERS; and

WHEREAS, the Mayor has proposed establishing a Pension Reform Committee pursuant to City Charter section 43 (b); and

WHEREAS, pursuant to Council Policy 000-16, the Pension Reform Committee will adhere to the requirements of the California Brown Act; and

WHEREAS, the Mayor and City Council desire to assure the public that prospective members do not have conflicting business relationships with CERS or the City; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that there is hereby established pursuant to City Charter section 43 (b) a Pension Reform Committee consisting of nine members including a chairperson who shall be appointed by the Mayor and confirmed by the City Council. The composition of the Pension Reform Committee shall be as follows:

- a. Five individuals who are not City employees and not City retirees and who have experience or expertise in defined benefit pension plans; and
- b. One taxpayer advocate, who is not a City employee or City retiree; and
- c. One member of the City Retirement Board who is not a City employee or City retiree; and
- d. One City retiree who is not a member of the City Retirement Board; and
- e. One City employee.

BE IT FURTHER RESOLVED, by the Council of the City of San Diego, to assure that members of the Pension Reform Committee do not have potentially conflicting business relationships with CERS or the City, subsequent to appointment and prior to confirmation, prospective members shall be required to execute an affidavit under penalty of perjury declaring that they do not have any business relationships related to providing financial services to CERS or the City (other than as a member of the Board or member of CERS for those members appointed pursuant to paragraphs c, d, and e) and further, that such prospective member shall refrain from establishing any such business relationship with CERS or the City for a one year period following the dissolution of the Pension Reform Committee.

BE IT FURTHER RESOLVED, by the Council of the City of San Diego, that there is hereby established pursuant to City Charter section 43 (b) the Pension Reform Committee with the following defined objectives:

- a. Report back to the City Council no later than 120 days from the date appointments are confirmed.

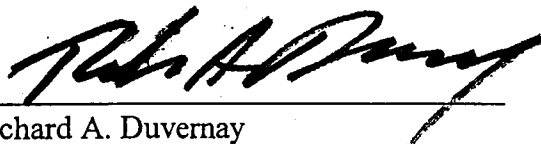
- b. After reviewing and considering the scope and depth of audit activity currently being conducted by CERS, conduct any additional or supplemental independent audits, studies, or investigations deemed necessary and appropriate.
- c. Provide recommendations to address any unfunded liability problems of the system.
- d. Examine how the existing pension system has performed compared to other similar systems, including examination of actions other systems have taken to address funding shortfall problems, such as issuance of pension obligation bonds.
- e. Examine whether changes should be made to the existing pension system.
- f. Examine whether the make-up and representative constitution of the Retirement Board should be restructured.
- g. Examine whether the system should be changed from a defined benefit plan to a defined contribution plan for new employees.
- h. Examine whether the City should join the California Public Employees Retirement System or any other retirement system.
- i. Make any other recommendations as appropriate.

BE IT FURTHER RESOLVED, by the Council of the City of San Diego, that the expectation of the Council is for CERS and the Pension Reform Committee to cooperate in the sharing of documents, information, and resources in order for both CERS and the Pension

Reform Committee to efficiently and expeditiously fulfill their respective duties and responsibilities.

APPROVED: CASEY GWINN, City Attorney

By



Richard A. Duvernay
Deputy City Attorney

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08/29/03
09/12/03REV.
Or.Dept:Rules
R-2004-213

Passed and adopted by the Council of The City of San Diego on SEP 09 2003,
by the following vote:

Council Members	Yeas	Nays	Not Present	Ineligible
Scott Peters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Michael Zucchet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Toni Atkins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Charles L. Lewis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brian Maienschein	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Frye	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Madaffer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ralph Inzunza	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Dick Murphy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

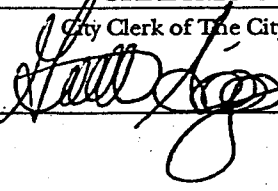
(Seal)

DICK MURPHY

Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California.

By , Deputy.

Office of the City Clerk, San Diego, California

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